



Transmitted via e-mail

May 16, 2025

Manuel Carrillo, Director of Finance and Administrative Services  
City of Bell Gardens  
7100 Garfield Avenue  
Bell Gardens, CA 90201

### **2025-26 Annual Recognized Obligation Payment Schedule**

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS) letter dated April 11, 2025. Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Bell Gardens Successor Agency (Agency) submitted an annual ROPS for the period July 1, 2025 through June 30, 2026 (ROPS 25-26) to Finance on January 29, 2025. The Agency requested a Meet and Confer on one or more of the determinations made by Finance. The Meet and Confer was held on April 22, 2025.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of the specific determinations being disputed.

- Item No. 62 – Property Management Plan and Disposition costs in the amount of \$342,000 are partially approved. Finance initially considered the \$342,000 as an administrative cost. However, based on the additional information provided during the Meet and Confer process, \$74,000 is related to wind-down activities. Pursuant to HSC section 34177.3 (b), unless required by an existing enforceable obligation, wind-down activities do not include planning, design, redesign, site remediation, site development or improvement, and other similar work. Therefore, of the requested \$342,000, only \$74,000 is allowed from the Redevelopment Property Tax Trust Fund (RPTTF), and \$20,500 related to contingencies is denied. Additionally, \$247,500 related to general legal services, professional services, and real estate agents are considered general administrative costs and will be reclassified. Therefore, a total adjustment of \$268,000 (\$20,500 + \$247,500) is made.

- The claimed administrative costs exceed the allowance by \$247,500. HSC section 34171 (b) (3) limits the fiscal year Administrative Cost Allowance (ACA) to three percent of actual RPTTF distributed in the preceding fiscal year or \$250,000, whichever is greater; not to exceed 50 percent of the RPTTF distributed in the preceding fiscal year. As a result, the Agency's maximum ACA is \$250,000 for fiscal year 2025-26. Although \$250,000 is claimed for ACA, certain costs associated with Item No. 62 are considered to be administrative cost and should be counted toward ACA. Therefore, as noted in the table below, \$247,500 in excess ACA is not allowed:

<b>Administrative Cost Allowance (ACA) Calculation</b>	
Actual RPTTF distributed for fiscal year 2024-25	\$2,536,186
Less distributed Administrative RPTTF	(250,000)
Less sponsoring entity loan repayments	(769,139)
<b>RPTTF distributed for 2024-25 after adjustments</b>	<b>1,517,047</b>
ACA Cap for 2025-26 per HSC section 34171 (b)	250,000
Plus amount reclassified to ACA	247,500
<b>Total ACA</b>	<b>497,500</b>
<b>ACA in Excess of the Cap</b>	<b>(\$247,500)</b>

In addition, per Finance's letter dated April 11, 2025, we continue to make the following determinations not contested by the Agency during the Meet and Confer review:

- On the ROPS 25-26 form, the Agency reported cash balances and activity for the period July 1, 2022 through June 30, 2023 (ROPS 22-23). According to our review, the Agency has approximately \$127,993 from Other Funds available to fund enforceable obligations on the ROPS 25-26. HSC section 34177 (l) (1) (E) requires these balances to be used prior to requesting RPTTF funding. This item does not require payment from property tax revenues; therefore, with the Agency's concurrence, the funding source for the following item has been reclassified in the amount specified below:
  - Item No. 47 – 2014 B Tax Allocation Bonds in the amount of \$602,500 is partially reclassified. Finance approves RPTTF in the amount of \$474,507 and the use of Other Funds in the amount of \$127,993, totaling \$602,500.

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations (prior period adjustments) for the ROPS 22-23 period. The ROPS 22-23 prior period adjustment (PPA) will offset the ROPS 25-26 RPTTF distribution. The amount of RPTTF authorized includes the PPA resulting from the County Auditor-Controller's review of the PPA form submitted by the Agency.

The Agency's maximum approved RPTTF distribution for the reporting period is \$3,079,131, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2025 through December 31, 2025 period (ROPS A period), and one distribution for the January 1, 2026 through June 30, 2026 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 25-26 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

This is our final determination regarding the obligations listed on the ROPS 25-26. This determination only applies to items when funding was requested for the 12-month period. If a determination by Finance in a previous ROPS is currently the subject of litigation, the item will continue to reflect the determination until the matter is resolved.

The ROPS 25-26 form submitted by the Agency and this determination letter will be posted on our website:

<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

This determination is effective for the ROPS 25-26 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to Finance's review and may be adjusted even if not adjusted on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of the redevelopment dissolution law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to [RedevelopmentAdministration@dof.ca.gov](mailto:RedevelopmentAdministration@dof.ca.gov).

Sincerely,

Original signed by:

Cheryl L. McCormick, CPA  
Chief, Office of State Audits and Evaluations

cc: Jules Tak, Accounting Manager, City of Bell Gardens  
Linda Santillano, Property Tax Apportionment Division Chief, Los Angeles County  
Cesar Hernandez, Countywide Oversight Board Representative

Attachment

Approved RPTTF Distribution July 2025 through June 2026			
	ROPS A	ROPS B	Total
RPTTF Requested	\$ 1,728,777	\$ 1,549,102	\$ 3,277,879
Administrative RPTTF Requested	125,000	125,000	250,000
<b>Total RPTTF Requested</b>	<b>1,853,777</b>	<b>1,674,102</b>	<b>3,527,879</b>
<b>RPTTF Requested</b>	<b>1,728,777</b>	<b>1,549,102</b>	<b>3,277,879</b>
<u>Adjustment(s)</u>			
Item No. 47	(127,993)	0	(127,993)
Item No. 62	(134,000)	(134,000)	(268,000)
	(261,993)	(134,000)	(395,993)
<b>RPTTF Authorized</b>	<b>1,466,784</b>	<b>1,415,102</b>	<b>2,881,886</b>
<b>Administrative RPTTF Requested</b>	<b>125,000</b>	<b>125,000</b>	<b>250,000</b>
<u>Adjustment(s)</u>			
Item No. 62	123,750	123,750	247,500
<b>Adjusted Administrative RPTTF</b>	<b>248,750</b>	<b>248,750</b>	<b>497,500</b>
Excess Administrative Costs	(0)	(247,500)	(247,500)
<b>Administrative RPTTF Authorized</b>	<b>248,750</b>	<b>1,250</b>	<b>250,000</b>
ROPS 22-23 Prior Period Adjustment (PPA)	(52,755)	0	(52,755)
<b>Total RPTTF Approved for Distribution</b>	<b>\$ 1,662,779</b>	<b>\$ 1,416,352</b>	<b>\$ 3,079,131</b>